Protection of shareholders interest in IFCI

757. SHRI TARIQ ANWAR: Will the Minister of FINANCE be pleased to refer to reply to Unstarred Question 506 given in the Rajya Sabha on the 7th December, 2004 and state the definite plan of Government to protect the interests of shareholders/stakeholders/employees of IFCI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): IFCI is a company registered under the Companies Act, 1956. Government has no shareholding in IFCI Ltd. The affairs of IFCI Ltd. are managed by the Board of Directors and it is for them,to take necessary steps to protect the interests of the stakeholders including employees of IFCI.

Cigarette industry under VAT regime

758. SHRI NANDI YELLAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government are aware that bringing cigarette industry out of existing additional excise tax network and covering it under VAT will put various tobacco producing States under economic hardship besides encouraging inter-State smuggling of cheap tobacco products; and

(b) if so, the details of the measures taken/proposed to be taken by the Central Government to compensate the States for such revenue loss and to check the possibility of inter-State smuggling of tobacco in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (**b)** The scheme of levy of Additional Excise Duty (AED) in lieu of Sales Tax on Tobacco, Sugar and Textiles was implemented through the Additional Excise Duty (Goods of Special Importance) Act, 1957 in pursuance to decision taken in the NDC meeting held in December, 1956. The Constitutional/legal provisions do not debar the State Governments from levying Sales TaxA/AT on Tobacco, Sugar and Textiles, but only provide that if any State levies Sales Tax or VAT on these item in a particular year, such State shall lose its share of the Central Taxes being released on this account in that year. Thus, the levy of AED is in the nature of tax rental arrangement.

With the implementation of VAT, the States are of the view that the taxation of the 3 AED items should also be integrated with VAT. However, no firm decision has as yet been taken on various aspects connected with levy of VAT on AED items. As and when the same is done, all relevant issues would be given due consideration. There is no proposal for compensating the States in this regard since it is not expected that the States would incur any loss as a result of levy of VAT on AED items.

Unearthing of concealed income

759. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether hundreds of crores of rupees of concealed income has been unearthed, as a result of raids by the Enforcement Directorate this year; and

(b) if so, the details of such money unearthed during the current year and last three years, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Details of concealed income which has been unearthed as a result of raids by Enforcement Directorate this year and in the last three years, State-wise, are as under:

Year	Maharashtra (Rs. Lakh)	West Bengal (Rs. Lakh)	Others
2006	Nil	82.14	Nil
2005	33.30	7.87	Nil
2004	Nil	Nil	Nil
2003	Nil	Nil	Nil

Vacancies in tax departments

760. SHRI TAPAN KUMAR SEN:
SHRI CHITTABRATA MAJUMDAR:

Will the Minister of FINANCE be pleased to state:

(a) whether there are massive vacancies in the tax departments because of Government's decision to fill one third of vacancies;